

Message Text

UNCLASSIFIED

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72

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SPC-03 AID-20 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 L-03 H-03

IO-14 EA-11 FEA-02 INT-08 AGR-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

DODE-00 PA-04 USIA-15 PRS-01 SEC-03 TAR-02 DRC-01

/229 W

----- 037266

R 211539Z JAN 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 6219

INFO USMISSION EC BRUSSELS

UNCLAS PARIS 1690

PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, FR

SUBJECT: TIGHTENING OF FRENCH EXCHANGE CONTROLS

REF: PARIS 1654 OF JAN 19, 1974

1. AS EXPECTED, FRENCH EXCHANGE CONTROLS HAVE BEEN TIGHTENED IN WAKE OF JAN 19 DECISION TO FLOAT FRANC. JOURNAL OFFICIEL OF JAN 20 CARRIES FOLLOWING MEASURES:

- (A) PROHIBITION ON FRANC LOANS TO NONRESIDENTS;
- (B) LIMITATION OF 180 DAYS ON MATURITY OF EXPORT CREDITS THAT MAY BE EXTENDED WITHOUT SPECIAL AUTHORIZATION;
- (C) MODIFICATION OF PROVISIONS ON FORWARD COVER:

(I) FORWARD SALES OF FOREIGN EXCHANGE MAY HENCEFORTH BE MADE FREELY, WHEREAS PREVIOUSLY THEY WERE SUBJECT TO A NUMBER OF UNCLASSIFIED

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ADMINISTRATIVE FORMALITIES DESIGNED TO ENSURE THEY WERE BASED ON

BONA FIDE COMMERCIAL TRANSACTIONS AND NOT SIMPLY MEANS OF
SPECULATING ON POSSIBLE APPRECIATION OF FRANC.

(II) FORWARD PURCHASES, AS GENERAL RULE, LIMITED TO
MAXIMUM OF THREE MONTHS, WHEREAS PREVIOUS REGULATIONS SET NO
TIME LIMITS. FOR TWO LISTS OF SPECIFIC COMMODITIES, FORWARD
PURCHASES OF SIX AND 12 MONTHS, RESPECTIVELY, ARE AUTHORIZED.
SIX-MONTH LIST INCLUDES LIVESTOCK, MEAT AND OTHER FOOD PRODUCTS,
AND CERTAIN INDUSTRIAL RAW MATERIALS AND SEMI-FINISHED PRODUCTS.
TWELVE-MONTH LIST INCLUDES OIL SEED AND CAKE, NATURAL RUBBER,
SHEEPSKINS, RAW SILK, RAW WOOL, RAW COTTON AND JUTE.

(D) EASING OF LIMITATIONS ON BORROWING ABROAD, SO THAT
HENCEFORTH RESIDENT BORROWER MAY HAVE OUTSTANDING FOREIGN
EXCHANGE BORROWINGS EQUAL TO COUNTER VALUE OF 10 MILLION
FRANCS, COMPARED TO PREVIOUS CEILING OF 2 MILLION FRANCS.

2. TEXT OF NEW REGULATIONS BEING POUCHES. STONE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FRANCO, CURRENCIES, FOREIGN EXCHANGE
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PARIS01690
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: PARIS
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1974/newtext/t19740127/aaaaazsc.tel
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Office: ACTION EB
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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To: STATE
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